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ABSTRACT

In order to address the significant gap between the ideas emerging from the new economic history and the economics actually taught in secondary school classes, successful strategies from a series of summer institutes are described. Each topic begins with a discussion of basic concepts and recent developments in the economic theory of that particular institution. A selective, rather than comprehensive, introduction of economic concepts and principles necessary to understand that institution results. Thus one can study the Puritan family as an economic institution or the effect of the Industrial Revolution on the family. A portion of each session is devoted to discussing how teachers can integrate these ideas into their classrooms. Thus teachers learn about economics within a framework of topics which they are already using in their classrooms. (IS)

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INTEGRATING THE NEW ECONOMIC AND SOCIAL HISTORY INTO THE HISTORY CURRICULUM IN SECONDARY SCHOOLS *

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I. Introduction

There has been a significant increase in the literature available to secondary school teachers dealing with the integration of economics in the history curriculum. In addition to a variety of new text materials, the Joint Council for Economic Education has published several books which specifically address this issue (i.e., James B. Uneill, Strategies for Teaching Economics: United States History, and George G. Dawson and Edward C. Prehn, Teaching Economics in American History, A Teacher's Manual for Secondary Schools). Despite this new literature, there remains a significant gap between the ideas emerging from the new economic history, and the economics actually taught in the history curriculum at the secondary level. Many of us who have been involved in research and textbook writing in U.S. economic history at the university level are concerned about how to close this gap. This concern has led me to develop a series of summer institutes focusing on the teaching of economics in the history curriculum.* From that experience, I have concluded that it is imperative to develop a new strategy for integrating economics into the history curriculum at the secondary level.

I maintain that we should not promise or attempt to accomplish more than is feasible in teaching economics in the context of a history curriculum. History teachers at the secondary level are not likely to introduce the wide range of economic concepts

that might be taught in the context of a course in economic principles. Nor are they likely to develop a comprehensive survey of economic history such as that developed in college courses in economic history. The problem then is to select those economic concepts which history teachers will find relevant and useful and to develop a strategy which will enable teachers to integrate these concepts into the material they are presently using.

The approach that I have found most effective in our summer institutes is to focus on the major institutions in the American economy, including family, business, labor, banking, and governmental institutions. While this may sound like a very traditional approach to economic history, this methodology permits us to introduce rather sopohisticated economic concepts in the new economic history. We begin with a discussion of basic concepts and recent developments in the economic theory of that particular institution. The result is a selective rather than comprehensive introduction of economic concepts and principles necessary to an understanding of that institution. This is followed by an analysis of that institution in particular historical settings. The objective is not a comprehensive survey of the chronological development of that institution, but a selective use of case studies from the new economic history. A portion of each session is devoted to a pedagogical discussion of how teachers can integrate the ideas from the new economic history into their own classroom.

The strength of this approach is that teachers are quite comfortable with an institutional framework; they are already focusing on these institutions from an historian's perspective and the transition to the economist's perspective is generally quite easy. Teachers see the relevance of revisions in the literature of the new economic history of these institutions. They also see the importance of key economic concepts and principles to an understanding of the economist's analysis of these institutions. While they may not end up with a comprehensive perspective on the principles of economics, they are more likely to learn key concepts and principles which they will actually utilize (and perhaps be motivated to expand their range of knowledge in economics). Teachers will not have a comprehensive survey of U.S. economic history, but they will have a working knowledge of major contributions and revisions from the new economic history which they can incorporate into the classroom (and again, perhaps be motivated to do further work in economic history). Let me illustrate this approach with reference to each of the five major economic institutions.

II. The Family

The new economic and social history of the family offers a rich menue of ideas which remain largely untapped in the history

curriculum at the secondary level. History teachers are used to viewing the family as a social institution, and it is a relatively easy step to develop a perspective of the family as an economic organization. This economic perspective yields rich insights into the changing role of the family in different historical settings.

For example, the role of the Puritan family as a social institution is a major theme in colonial history. I explore the Puritan family as an economic institution through case studies of Puritan settlements such as that in Andover, Massachusetts. These case studies provide insight into the way in which the Puritan family functioned as an economic organization, producing goods and services for the family's needs, transferring wealth and income so as to maximize the family's welfare, and acting as the agent for family members viz a viz other institutions. The decline in the Puritan family is explored in terms of demographic and economic changes that tended to undermine the traditional role of the Puritan family. Teachers find this an interesting alternative to the traditional analysis of the decline of the Puritan family in terms of changes in moral values and the Puritan church.

Recent studies also provide important insights into the role of the family during the Industrial Revolution. The Industrial Revolution did not destroy the family as an economic institution; indeed, some changes such as the putting out system actually

strengthend the role of cottage industries and the family as an economic institution. Families often entered the early factories as an economic unit with the labor divided up among family members. Even after the emergence of a labor market which individuals entered independently from other family members, the family continued to perform important functions as an economic institution.

It is interesting to trace the continuity of the family as an economic institution into the 20th century. For example, families entered the cotton mills of the South as a economic unit much as they had in New England in the 19th century. The major change in the 20th century is the emergence of the state performing many of the economic functions traditionally performed by families; however, the family increasingly performed an economic function as its members' agent in relating to governmental and private institutions in the society. Many concepts in the economic theory of the family can be introduced by exploring dynamic changes in the role of the family in these historical settings.

III. Business Institutions

Teachers are, of course, used to thinking of business institutions in economic terms. Business institutions during the Industrial Revolution are often explored in terms of the rise of big business with reference to the emergence of monopoly power and its impact on the distribution of income and wealth,

political institutions, etc. It is also important to explore business institutions in this period with reference to managerial and entrepreneurial functions and market competition. For example, Rockefeller and Standard Oil are exmained not only in terms of the monopoly control they exercised in the petroleum industry, but also with reference to the revolutionary changes they brought to the industry through changes in technology, capital formation, organizational innovation, economies of scale, etc. Standard's monopoly power was eroded by competition from other large integrated oil companies long before the antitrust suit requiring dissolution of the company. Similarly, merger and conglomerate organization of business in the 20th century is also examined with reference to dynamic changes in technology, economies of scale, and market competition, as well as the issue of concentration of market power. This provides a different perspective on public policies such as regulatory and anti-trust policies in the 20th century.

IV. Banking Institutions

In order to understand the role of banking institutions, we begin with some basic concepts relating money and aggregate economic activity, the process of money creation and the role of central banking institutions. Private and central banking institutions are then examined in particular historial settings. The Jacksonian period provides an excellent historical setting to

explore the new economic history of banking institutions. The major revision in this literature is the relatively unimportant role Jacksonian banking policies played in the discontinuous fluctuation of the money supply and aggregate economic activity during the 1830s, compared to external economic events. Other periods such as the Great Depression are also examined from a monetarist perspective. These studies raise the major economic issues regarding the role of central banking and monetary policy in aggregate economic activity.

V. Labor Institutions

Teachers' perspective on labor unions seem to be quite consistent with the recent economic analysis of labor unions. We explore the dual role of labor unions in providing services to union members, which may increase labor productivity, and as an economic institution which transfers income and wealth from other economic groups to its members, decreasing productivity. We explore dynamic changes in the development of labor unions and the impact they have had on employment, productivity, wages, and income distribution in different historical settings. The objective is an understanding of the role of labor unions in the economy as well as in the broader set of social and political institutions.

VI. Governmental Institutions

One of the most difficult objectives of the course is an assessment of government as a set of economic institutions as well as political institutions. An effective methodology here is the public choice paradigm, which assumes an initial endowment of property rights, a constitutional contract which defines those rights, a judicial system to enforce those rights, and post-constitutional public and private contracts operating within that constitutional framework. This public choice paradigm permits us to trace the origins of property rights in British common law and constitutional law. We explore the embodiment of those property rights in our own constitution with emphasis on due process, the commerce clause, the contract clause, and the more fundamental limitations on the power of the federal government. Changes in the rules of the game regarding those property rights are traced through legislative enactments and Supreme Court decisions.

Changes in the rules of the game have been accompanied by substantial shifts in the role of government in the economy. We focus on the economic impact of the expanded role for government with reference to the incentive system, i.e., do the rules of the game provide incentive for productive activity or transfer activity and what is the impact of government on economic growth and welfare. This fundamental issue provides a new economic perspective on such important periods in our history as the Progressive Era, the Great Depression, and of course the more recent trends in our governmental institutions.

VII. Conclusion

It is imperative that we close the gap between the emergence of ideas in the new economic history, and the teaching of economics in the history curriculum in our secondary schools. We must develop innovative courses which will attract history teachers and give them the tools to integrate economics into the history curriculum. I have developed a strategy for such a course by focusing on the major economic institutions in our society, i.e., family, business, banking, labor, and government. I find that this format provides an effective vehicle for teaching not only fundamental economic concepts, but also some of the more sophisticated refinements in the economic theory of these institutions. Most important, this analysis provides a foundation for examining these institutions in particular historical settings, incorporating major revisions from the new economic history. The key is to develop the relevance and importance of these economic concepts in explaining the major changes that have occurred in our economic institutions, and the relationship between these economic changes and the broader social and political changes in our society.

NOTES

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